Social Media Risk Assessment
Agenda

- Overview of Social Media
- Why Use Social Media?
- Recent Guidance
- Executing a Social Media Risk Assessment
Social Media Revolution 2013

- Is social media a fad?
What is Social Media?

- “Social media technology involves the creating and dissemination of content through social networks using the Internet.”
  - An ISACA Emerging Technology White Paper

- According to the recent draft FFIEC guidance, social media is a form of interactive online communication in which users can generate and share content through text, images, audio, and/or video.
Platforms of Social Media

There are 7 main types of social media platforms:

- Wikis
- Blogs
- Social Networking
- Presence and Micro blogging
- RSS (Rich Site Summary)
- Online Photo and Video Sharing
- Social Bookmarking and News
# The Biggest Social Media Networks

## The Biggest Social Networks Out There Right Now

<table>
<thead>
<tr>
<th>Facebook</th>
<th>Twitter</th>
<th>LinkedIn</th>
<th>Pinterest</th>
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<tbody>
<tr>
<td>More than 1 billion users monthly</td>
<td>More than 500 million users as of 2013</td>
<td>More than 200 million users as of 2013</td>
<td>48.7 million users; 20% of Facebook users are on Pinterest daily</td>
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<tr>
<td>665 million daily active users</td>
<td>500 million tweets per day</td>
<td>61% use it as their primary professional networking site</td>
<td>18% of content driven by brands</td>
</tr>
<tr>
<td>More than 50% log in daily</td>
<td>60% mobile users globally</td>
<td>42% update their profile information regularly</td>
<td>82% of content driven by community</td>
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<tr>
<td>One out of seven minutes spent online is spent on Facebook</td>
<td>The average user spends 21 minutes monthly on Twitter</td>
<td>81% of users belong to at least one group</td>
<td>Since 2012 1.2 billion minutes have been spent using Pinterest on the Web</td>
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<tr>
<td>The average user spends 6.75 hours a month using Facebook</td>
<td>40% of users use Twitter as a curated news feed of updates and do not tweet</td>
<td>35% access the site daily</td>
<td>Pinterest shoppers are spending more per checkout, averaging $140-$180 more compared to Facebook and Twitter shoppers</td>
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<tr>
<td>Sources: TechCrunch, Mediabistro AllTwitter as of 6/11/13</td>
<td>Sources: The Telegraph, Mediabistro AllTwitter as of 6/11/13</td>
<td>Sources: Mediatriblo AllTwitter, visually as of 6/11/13</td>
<td>Pinterest accounts for 25% of retail referral traffic</td>
</tr>
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Source [http://www.crowehorwath.com/socialmedia](http://www.crowehorwath.com/socialmedia)
Why Use Social Media?
"We've considered every potential risk except the risks of avoiding all risks."
FFIEC Guidance

- In January 2013, the Federal Financial Institutions Examination Council (FFIEC) proposed social media guidance to help financial institutions identify potential risk areas to appropriately address, as well as to ensure institutions are aware of their responsibilities to oversee and control these risks within their overall risk management program.

- Key Points of the Guidance
  - Risks related to social media should be assessed and managed by the institution
  - A risk management program should be in place and include the following
    - A corporate governance structure
    - Policies and procedures around social media usage
    - Social media training
    - Due diligences process for selecting and managing relationships with third-party providers of social media services
    - Oversight and monitoring process
    - Audit and compliance functions
    - A program to confirm the effectiveness of the social media program

- While the FFIEC guidance relates specifically to financial institutions, all organizations should be considering the risks involved with social media.
Social Media Risk Assessment (SMRA)

- **What’s involved?**
  - A review of the various risks of social media within an organization regardless of whether an organization is actively participating in social media.
  - Input from various department heads and upper management to understand focus and desired direction of social media.
  - Assessment of the impact and likelihood of risk affecting your organization
  - Understanding of the current controls in place to mitigate the risk

- **Why assess social media risk?**
  - Widespread use among employees
  - Concerns about a corporate social media presence
  - The unknown information publically available about their organization
  - To mitigate additional business risks
Risk Assessment Methodology

- In order to assess an organization and how it uses social networks, a structured methodology should be utilized to understand how risks are related specifically to that organization.
- A typical methodology should include the following:
  - Understand
  - Assess
  - Identify
  - Improve
Understand

- It is important to gauge an institution’s understanding of social media and its risks.
- The assessment should begin by surveying the organization’s employees.
  - How do employees use social media for business purposes?
  - How do employees use social media for personal purposes?
  - What are employees understandings of social media risk?
Interview

- Further interviews with management and key employees who have involvement with risk management will help determine the organization’s risk and control landscape related to social media.

- Departments that should be taken into account during the interview process may include the following:
  - Human Resources
  - Legal
  - Audit
  - Compliance
  - IT
  - Marketing
  - Others??
Assess

- Severity of risk should be evaluated based on likelihood and impact of the individual risk.
- Once information has been gathered, controls should be assessed to understand how they impact the risks of social media.
- Then consider residual risk with current controls in place
- What is the direction of risk? Will this affect you more or less in the future?
Identify

- Gaps identified between the current control environment and desired environment can be used to initiate discussions around areas that need improvement.
Improve

- Solutions should be developed to strategically address the gaps in the current social media strategy and reduce overall risk.
- Based on risk rating, where should you focus your efforts first?
- What can wait?
Types of Business Risks

- Reputational Risks
- Financial Risks
- Information Security & Privacy Risks
- Legal & Employment Risks
- Operational Risks
Reputational Risks

- Sample Discussion Points
  - An employee/vendor/external party posts negative content about your organization online.
  - Officially published content misrepresents the organization in some way or misaligns with marketing objectives.

- Examples
  - Domino’s Pizza
  - Google
Financial Risks

- **Sample Discussion Points**
  - An employee posts financial data to a social media site before being released to the public.
  - Marketing and business development opportunities are missed because of the failure to exploit the social media channel.

- **Examples**
  - Netflix
  - Francesca’s
Information Security & Privacy Risks

- **Sample Discussion Points**
  - Employees overshare information making social engineering attempts more successful
  - An employee infects their organization owned PC (desktop or laptop) with a virus, Trojan, or worm from a social media site
  - Your organization’s social media account passwords are not changed regularly, leading to a potential hacked account

- **Examples**
  - Burger Kings
  - Jeep

[Hello someone is posting terrible rumors about you... tinyurl.com/864nual]
Legal and Employment

- **Sample Discussion Points**
  - An inquiry on a social media site that is used in a hiring decision results in a non-hire and a subsequent claim for discrimination.
  - A termination based in part on evidence from a social media site is mishandled resulting in a wrongful termination suit.
Operational

- **Sample Discussion Points**
  - A person of authority posts content that is deemed to be hostile, discriminatory or offensive that is viewed by employees
  - Employee use of social media negatively impacts productivity
Questions
Thank You!

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